

HELM

FINANCIAL CORPORATION

July 9, 2002

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

RECORDATION NO. 23168-00 FILED

JUL 11 '02 2:45 PM

SURFACE TRANSPORTATION BOARD



RE: Partial Termination of Security Agreement dated as of January 21, 2002 ("**Partial Termination**"), by Fleet National Bank ("**Fleet**"), as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, Helm Financial Corporation and Helm Locomotive Leasing Corporation (collectively, "**Helm**")

Dear Mr. Williams:

On behalf of Helm Financial Corporation, I submit for filing and recording, under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Three (3) fully-executed originals of the above-referenced Partial Termination.

In connection with the recording of the Partial Termination, please note the following information:

Borrower Name and Address of Helm: Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Secured Party Name and Address of Fleet: Fleet National Bank
Transportation Division
100 Federal Street
Boston, MA 02110

Equipment: 3 Covered Hopper Railcars
HLMX 353, 359 and 384

Please record this Partial Termination as a supplemental agreement to STB Recordation No. 23168 filed on October 18, 2000 at 2:43 PM. The filing fee of \$30.00 is included in our enclosed Check No. 1138 in the amount of \$270.00.

Summary: Partial Termination of Security Agreement dated as of January 21, 2002, by Fleet National Bank, a national banking association ("**Fleet**") as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, a California corporation, Helm Financial Corporation, at California corporation and Helm Locomotive Leasing Corporation, a California corporation (collectively, "**Helm**"), for 3 covered hopper railcars, HLMX 353, 359 AND 384, to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,

Sharon L. Van Fossan
Sharon L. Van Fossan
Supervisor Contract Administration

\svf
Enclosures (3)

JAN 11 '02 2:45 PM

PARTIAL TERMINATION OF
SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of January 21, 2002, by FLEET NATIONAL BANK, a national banking association ("Fleet") as the Agent for the Lenders (as defined in the Credit Agreement described below), for the benefit of HELM HOLDING CORPORATION, a California corporation, HELM FINANCIAL CORPORATION, a California corporation and HELM LOCOMOTIVE LEASING CORPORATION, a California corporation (collectively, "Helm").

1. **Recitals.** Helm owns the rail equipment bearing the Association of American Railroad reporting marks and numbers as described in Exhibit A attached hereto (the "Unit(s)"). Helm has granted a blanket security interest in all of its assets now owned or hereafter acquired (the "Collateral"), to Fleet upon the terms and conditions provided in that certain Security Agreement dated as of October 18, 2000, between Helm and Fleet (the "Security Agreement") as filed with the Surface Transportation Board of the Department of Transportation ("STB") on October 18, 2000 at 2:43 P.M. under Recordation No. 23168. The Security Agreement was executed in connection with that certain Revolving Credit and Term Loan Agreement dated as of October 18, 2000, among the Borrowers, Lenders and Agent as defined therein (the "Credit Agreement").

Helm intends to sell the Units to a third party and desires that such sale shall be free and clear of any lien or security interest of Fleet. Helm requests Fleet's consent to such sale of the Units and requests Fleet to terminate its lien and security interest in the Units.

2. **Consent & Partial Termination.** Fleet hereby consents to the sale of the Units by Helm. Fleet hereby forever terminates any and all liens and security interests in the Units granted to it under the Security Agreement. Such liens and security interests in the Units shall be forever terminated upon the filing of this Partial Termination with the STB, at which time all of Fleet's right, title and interest in and to the Units shall be null and void.

This Partial Termination shall have no effect on Fleet's lien and security interest in any other Collateral other than the Units and said lien and security interest in such other Collateral is hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, Fleet has executed this Partial Termination of Security Agreement as of the date first above written.

FLEET NATIONAL BANK, as Agent

By: _____

Print Name: David J. Doucette
VICE PRESIDENT

Its: _____

STATE OF MASSACHUSETTS)
) S.S.
COUNTY OF Suffolk)

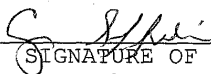
On June 20, 2002, before me, Caryn Suffredini,
personally appeared David Doucette, Vice President of
FLEET NATIONAL BANK

x personally known to me -OR-

_____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



SIGNATURE OF THE NOTARY

Commission expires: 11/27/03

[Notarial Seal]

EXHIBIT A

to the
Partial Termination of Security Agreement
dated as of January 21, 2002

The "Units"

Description of the Units:

Three (3), 100-ton, 4750 cubic foot capacity covered hopper railcars equipped with trough hatches and gravity outlet gates.

Reporting

Mark and Number

HLMX 353

HLMX 359

HLMX 384